

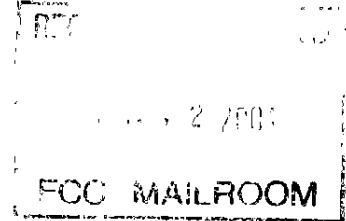
# MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC.

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Agris Pavlovskis  
President

January 9, 2004



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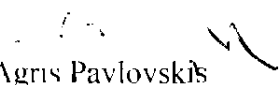
Marlene H Dortch  
Office of the Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Dear Secretary,

Attached is one original and four copies of the Michigan Exchange Carriers Association, Inc.'s Comments for filing in CC Docket No. 96-45, Public Notice DA 03-4112

In accordance with Public Notice DA 03-4112, three paper copies of the filing have been sent to Sheryl Todd, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12<sup>th</sup> Street, S W, Room 5-B540, Washington, D C 20554. In addition, one copy of the filing and a 3 1/2 diskette of the filing have been sent to the Commission's copy contractor, Qualex International, Portals II, 445 12<sup>th</sup> Street, S W, Room CY-B402, Washington, D C 20554

Yours truly,

  
Agris Pavlovskis  
President

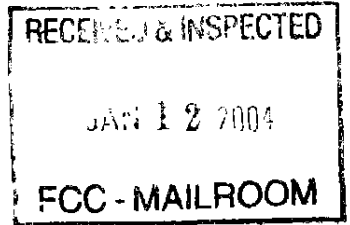
Enclosures One original and four copies of filing

cc Sheryl Todd (Three copies of filing)  
Telecommunications Access Policy Division

FCC Contractor, Qualex International (one copy and diskette)

044

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554



<b>In the Matter of</b>	)	
	)	
<b>Federal-State Joint Board on</b>	)	<b>CC Docket No. 96-45</b>
<b>Universal Service</b>	)	
	)	
<b>ALLTEL Communications, Inc.</b>	)	<b>DA 03-3824</b>
	)	
<b>Petition for Consent to Redefine the</b>	)	
<b>Service Areas of Rural Telephone</b>	)	
<b>Companies In the State of Michigan</b>	)	

**COMMENTS**  
of the  
**MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC.**

Michigan Exchange Carriers Association, Inc  
124 W Allegan, Suite 1400  
Lansing, MI 48933  
517-482-1083

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## **I. INTRODUCTION**

The Michigan Exchange Carriers Association, Inc. ("MECA") hereby submits these comments in response to the proceeding on the ALLTEL Communications, Inc. ("ALLTEL") petition for consent to redefine the service areas of rural telephone companies in the state of Michigan.<sup>1</sup> MECA is an association whose membership is comprised of 33 small incumbent local exchange carriers ("LECs") in Michigan. All of MECA's members are rural telephone companies as defined in 47 U.S.C. §153(37). They are all Eligible Telecommunications Carriers ("ETCs") in their respective service areas. Moreover, the seven "Rural ILECs" that ALLTEL has petitioned the Commission for consent to redefine their service areas are all members of MECA.

ALLTEL's petition for consent to redefine the service areas of rural telephone companies in the state of Michigan should be remanded to the Michigan Public Service Commission ("MPSC") because the MPSC failed to provide proper notice that a public hearing on redefining the cost study areas of rural telephone companies would be held. Secondly, the number of companies affected by the redefining cost study areas varies from the MPSC order and ALLTEL's petition with the Commission.

## **II. COMMENTS**

### **A. Failure To Properly Notice**

The petition of ALLTEL for consent to redefine the service areas of rural telephone companies in Michigan is the first to be filed with this Commission. On April 14, 2003, ALLTEL filed with the MPSC its application for ETC designation for its licensed service area in

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<sup>1</sup> Wireline Competition Bureau Seeks Comment on ALLTEL's Petition to Redefine Rural Telephone Company Service Areas in the State of Michigan, CC Docket No. 96-45 Public Notice, DA 03-4112 (rel. Dec. 30, 2003).

Michigan<sup>2</sup> The MPSC issued a Notice of Hearing regarding ALLTEL's application for ETC designation on May 2, 2003:

"The Michigan Public Service Commission (Commission) will hold a public hearing to consider the April 14, 2003 petition of Alltel Communications, Inc (Alltel), for designation as an eligible telecommunications carrier (ETC), pursuant to 47 USC 214(e)(6), for the purpose of receiving federal universal service support in Michigan."<sup>3</sup>

No notice was provided by the MPSC that a public hearing regarding ALLTEL's request could result in the redefinition of the service areas of all rural telephone companies in Michigan.<sup>4</sup> Thus, interested parties did not receive the proper notice that a public hearing on redefining the service areas of rural telephone companies was to be held and were not aware of all the issues that the MPSC intended to review. Due to the failure to provide proper notice, interested parties were prevented from participating in the hearing and the full extent of the administrative burdens that may be imposed on rural carriers was not presented to the MPSC.

The Federal-State Joint Board on Universal Service ("Joint Board"), created under 47 USC 254(a), expressly recommended that this Commission retain current study areas. The Commission is directed by statute to implement the recommendations of the Joint Board.<sup>47</sup> 47 USC 254(a)(2) Moreover, the Joint Board also noted that redefining rural service areas would create significant administrative burdens for the rural ILEC because its accounting and auditing procedures are built around its existing study areas.

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<sup>2</sup> Application of ALLTEL Communications, Inc. For Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(2) of the Communications Act of 1934, Michigan Public Service Commission Case No. U-13765. Attached as Exhibit A.

<sup>3</sup> Notice of Hearing Regarding Alltel Communications, Inc. Case No. U-13765. Attached as Exhibit B.

<sup>4</sup> MPSC Administrative Rules and Guideline, 460 17305. Pursuant to Rule 305, the initial notice of hearing "shall contain all of the following information: (a) A statement of the date, hour, place, and nature of the hearing, (b) The jurisdiction under which the hearing is to be held, (c) A short and plain statement of the matters asserted and issues involved." The notice of hearing provided by the MPSC failed to indicate that ALLTEL was requesting redefinition of service areas of rural telephone companies in Michigan.

ALLTEL was granted ETC designation for its licensed service area by the MPSC on September 11, 2003. Moreover, the MPSC decided to delineate rural ILECs' service areas for the purpose of universal support by utilizing entire exchanges. The MPSC concluded that this would "require affected ILECs to disaggregate into service areas that are coterminous with existing telecommunications boundaries for which costs are already calculated."<sup>5</sup>

**B. Discrepancies Between ALLTEL's Application With The MPSC And ALLTEL's Petition Before This Commission**

ALLTEL's petition before this Commission exceeds the rural ILECs noticed before the MPSC. ALLTEL's petition requests consent to "redefine the rural study areas of Century Telephone-Midwest, Inc., Century Telephone Company of Northern Michigan, Century Telephone of Michigan, Century Telephone of Upper Michigan, Pigeon Telephone Company, Shiawassee Telephone Company, and Wolverine Telephone Company (collectively, the 'Rural ILECs') based upon established exchanges, or wire centers."<sup>6</sup> Nonetheless, neither Century Telephone of Northern Michigan nor Century Telephone of Upper Michigan were included in ALLTEL's application to the MPSC in which it requested that the other rural ILECs' service areas be redefined.<sup>7</sup>

**III. CONCLUSION**

Since the MPSC failed to provide proper notice that a public hearing regarding ALLTEL's request could result in the redefinition of the service areas of all rural telephone companies in Michigan, the issues surrounding the administrative burden that would be imposed on a rural ILEC were not fully heard or contemplated by the MPSC. Further, ALLTEL should

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<sup>5</sup> MPSC Opinion and Order, Case no. U-13765 (September 11, 2003), p. 15. Attached as Exhibit C.

<sup>6</sup> ALLTEL's Petition for Consent to Redefine the Service Areas of Rural Telephone Companies in the State of Michigan, CC Docket No. 96-45, DA-03-3824, p. 2.

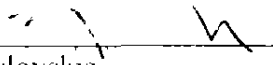
<sup>7</sup> Application of ALLTEL Communications, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(2) of the Communications Act of 1934, Michigan Public Service Commission Case No. U-13765, p. 7.

be required to clarify before the MPSC why they are now seeking to redefine seven company study areas instead of the five company study areas that were requested in their application before the MPSC. Therefore, this Commission should remand ALLTEL's petition to the MPSC, so that the MPSC can provide the proper notice to all interested parties, and to allow the issue of the administrative burdens that will be imposed on a rural ILEC in redefining rural service areas in Michigan to be fully heard and contemplated by the MPSC.

Respectfully submitted,

MICHIGAN EXCHANGE CARRIERS ASSOCIATION, INC

Date January 9, 2004

By   
Agris Pavlovskis  
President

## **EXHIBIT A**



**STATE OF MICHIGAN**  
**Before The Public Service Commission**

**Application of ALLTEL Communications, Inc.            )**  
**For Designation as an Eligible Telecommunications    )**  
**Carrier Pursuant to Section 214(e)(2) of the            )**  
**Communications Act of 1934                                )**

**Case No. \_\_\_\_\_**

**APPLICATION OF ALLTEL COMMUNICATIONS, INC. FOR DESIGNATION  
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

ALLTEL Communications, Inc. ("ALLTEL"), by and through its counsel, Foster, Swift, Collins & Smith, P.C., and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, 47 U.S.C. §214(e)(6), and Sections 201 and 203 of the Michigan Telecommunications Act ("MTA"), MCL 484 2201; MSA 22 1469(201), MCL 484 2203, MSA 22 1469(203) hereby petitions the Michigan Public Service Commission for designation as an Eligible Telecommunications Carrier ("ETC") throughout its licensed service area in the State of Michigan. ALLTEL seeks to be designated as an ETC for purposes of receiving universal service support in Michigan. As demonstrated below, ALLTEL meets all the statutory and regulatory prerequisites for ETC designation, and designating ALLTEL will serve the public interest.

**I. ALLTEL's Universal Service Offering**

ALLTEL is authorized to provide commercial mobile radiotelephone service in the following Michigan Cellular Market Areas: 48, 64, 78, 94, 132, 177, 181, 193, 207, and 472 through 480. ALLTEL intends to obtain high cost loop support funding in order to speed the delivery of advanced wireless services to the citizens of Michigan. As an ETC, ALLTEL will also offer a basic universal service package to subscribers who are eligible for Lifeline support. ALLTEL expects that its service offering will be competitive with those of the incumbent wireline carriers.

ALLTEL currently provides all the services and functionalities supported by the federal universal service program, enumerated in Section 54.101(a) of the FCC's Rules, throughout its cellular service area.

in Michigan. Upon designation as an ETC, ALLTEL will make available to consumers a universal service offering over its cellular network infrastructure, using the same antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing conventional mobile cellular service customers. ALLTEL will provide service to any customer requesting this service within the designated service area.

**II. ALLTEL Offers All of the Services Supported By the Federal High-Cost Universal Service Program.**

In order to be designated as an ETC, a carrier must be a common carrier and must offer and advertise the supported services throughout the designated service area. 47 U.S.C. § 214(e)(1). The FCC has identified the following services and functionalities as the core services to be offered by an ETC and supported by federal universal service support mechanisms:

1. Voice-grade access to the public switched telephone network;
2. Local Usage;
3. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent;
4. Single-party service or its functional equivalent;
5. Access to emergency services;
6. Access to operator services;
7. Access to interexchange service;
8. Access to directory assistance; and
9. Toll limitation for qualifying low-income consumers.

47 C.F.R. § 54.101(a).

According to the *Section 214(e)(6) Public Notice*, a certification that the carrier provides each of the supported services is required.<sup>1</sup> As shown below and in the Affidavit of Steve R. Mowery, Vice President, State Government Affairs of ALLTEL, attesting that all representations in this Application are true and correct to the best of his knowledge, attached as Exhibit A hereto, ALLTEL provides or will provide, upon designation, the required services.

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<sup>1</sup> Section 214(e)(6) Public Notice, at 22948

1        Voice-grade access to the public switched telephone network. The FCC concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 2700 Hertz within the 300 to 3000 Hertz frequency range.<sup>2</sup> ALLTEL meets this requirement by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with Local Exchange Carriers ("LECs"), all customers of ALLTEL are able to make and receive calls on the public switched telephone network within the specified bandwidth.

2.        Local Usage. Beyond providing access to the public switched network, an ETC must include local usage as part of a universal service offering. To date, the FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, but has initiated a separate proceeding to address this issue.<sup>3</sup> As it relates to local usage, the NPRM sought comments on a definition of the public service package that must be offered by all ETCs. Specifically, the FCC sought comments on how much, if any, local usage should be required to be provided to customers as part of a universal service offering.<sup>4</sup> In the *First Report and Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide.<sup>5</sup> Any minimum local usage requirement established by the FCC as a result of the *October 1998 NPRM* will be applicable to all designated ETCs, not simply wireless service providers. ALLTEL will comply with any and all minimum local usage requirements adopted by the FCC. ALLTEL will meet the local usage requirements by including local usage plans as part of a universal service offering.

3        Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent. DTMF is a method of signaling that facilitates the transportation of call set-up and call detail information. Consistent with the principles of competitive and technological neutrality, the FCC permits carriers to provide signaling that is functionally equivalent to DTMF in satisfaction of this service requirement. 47 C.F.R.

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<sup>2</sup> *First Report and Order* at 8810-11

<sup>3</sup> See *Federal and State Joint Board on Universal Service, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252 (1998) ("*October 1998 NPRM*")

<sup>4</sup> *October 1998 NPRM*, at 21277-21281

<sup>5</sup> *First Report and Order*, at 8812. See also, *Western Wireless Corporation*, 16 FCC Rcd 48, 52-53 (2000), *aff'd*, FCC 01-311 (October 19, 2001), *Cellco Partnership*, 16 FCC Rcd 29, 42 (2000).

§54 101(a)(3) ALLTEL currently uses out-of-band digital signaling. ALLTEL therefore meets the requirement to provide DTMF signaling or its functional equivalent.

4. Single-party service or its functional equivalent "Single-party service" means that only one party will be served by a subscriber loop or access line in contrast to a multi-party line.<sup>6</sup> The FCC concluded that a wireless provider offers the equivalent of single-party service when it offers a dedicated message path for the length of a user's particular transmission.<sup>7</sup> ALLTEL meets the requirement of single-party service by providing a dedicated message path for the length of all customer calls.

5. Access to emergency services The ability to reach a public emergency service provider by dialing 911 is a required service in any universal service offering. Phase I E-911, which includes the capability of providing both automatic numbering information ("ANI") and automatic location information ("ALI"), is only required if a public emergency service provider makes arrangements with the local provider for the delivery of such information. ALLTEL currently provides all of its customers with access to emergency service by dialing 911 in satisfaction of the basic 911 requirement, and either provides, or will provide subscribers with Phase I and Phase II E-911 services in accord with the deployment schedules agreed to by ALLTEL and local or other governmental emergency service provider agencies.

6. Access to operator services Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call.<sup>8</sup> ALLTEL meets this requirement by providing all of its customers with access to operator services provided by either the Company or other entities (e.g. LECs, IXC's, etc.)

7. Access to interexchange service A universal service provider must offer consumers access to interexchange service to make and receive toll or interexchange calls. Equal access, however, is not required. "The FCC do[es] not include equal access to interexchange service among the services supported by universal service mechanisms."<sup>9</sup> ALLTEL presently meets this requirement by providing

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<sup>6</sup> First Report and Order, 12 FCC Red at 8810

<sup>7</sup> Id.

<sup>8</sup> Id., at 8817-18

<sup>9</sup> Id., at 8819

all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements the Company has with IXCs

8        Access to directory assistance    The ability to place a call to directory assistance is a required service offering<sup>10</sup> ALLTEL meets this requirement by providing all of its customers with access to directory assistance by dialing “411” or “555-1212”

9        Toll limitation for qualifying low-income consumers    An ETC must offer either “toll control” or “toll blocking” services to qualifying Lifeline customers at no charge    The FCC no longer requires an ETC to provide both services as part of the toll limitation service required under 47 C F R §54.101(a)(9).<sup>11</sup> In particular, all ETCs must provide toll blocking, which allows customers to block the completion of outgoing toll calls<sup>12</sup> ALLTEL currently has no Lifeline customers because only carriers designated as an ETC can participate in Lifeline    See 47 C F R. §§54.400-415    Once designated as an ETC, ALLTEL will participate in Lifeline as required, and will provide toll blocking capability in satisfaction of the FCC’s requirement    ALLTEL currently has the technology to provide toll blocking and will use this technology to provide the service to its Lifeline customers, at no charge, as part of its universal service offerings.

### **III.    ALLTEL Will Offer Supported Services Through its Own Facilities**

The Commission’s *Section 214(e)(6) Public Notice* established that a carrier requesting designation must certify that it offers the supported services “either using its own facilities or a combination of its own facilities and resale of another carrier’s services.”<sup>13</sup> ALLTEL will provide the supported services using its existing network infrastructure, which includes the same antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing conventional mobile cellular service customers

### **IV.    ALLTEL Will Advertise its Universal Service Offering.**

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<sup>10</sup> *Id.*, at 8821.

<sup>11</sup> See *Universal Service Fourth Order on Reconsideration in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72*, 13 FCC Rcd 5318 (1997).

<sup>12</sup> *First Report and Order*, at 8821-22

<sup>13</sup> *Section 214 Public Notice*, at 22949

ALLTEL will advertise the availability of the supported services and the corresponding charges in a manner that fully informs the general public within the designated service area of the services and charges.<sup>14</sup> ALLTEL currently advertises its wireless services through several different media. ALLTEL will use media of general distribution that it currently employs to advertise its universal service offerings throughout the service areas designated by the Commission. ALLTEL will comply with all form and content requirements, if any, promulgated by the FCC in the future and required of all designated ETCs.

**V. ALLTEL Requests Designation Throughout Its Licensed Service Area in Michigan.**

ALLTEL, for its wireless operations, is not a "rural telephone company" as that term is defined by 47 U.S.C. 153(37). Accordingly, ALLTEL is required to describe the geographic area in which it requests designation.<sup>15</sup> ALLTEL requests ETC designation for its entire licensed service area in Michigan. A map of ALLTEL's proposed ETC service area is attached hereto as Exhibit B.

Under FCC Rule Section 54.207, a "service area" is a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms." 47 C.F.R. §54.207(a). For non-rural service areas, there are no restrictions on how a state commission defines the "service area" for purposes of designating a competitive ETC. Therefore, the Commission may designate ALLTEL as an ETC in a non-rural wire centers set forth at Exhibit C. To the extent ALLTEL serves only a portion of the wire center listed at Exhibit C, ALLTEL requests ETC designation in that portion of the wire center where it provides service.<sup>16</sup>

In an area served by a rural telephone company, the FCC's rules define "service area" to mean the LEC study area unless a different definition of service area is established for such company.<sup>17</sup> The rural LEC study areas that ALLTEL serves are set forth in Exhibit D hereto. The Commission may designate

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<sup>14</sup> See Section 214(e)(6) Public Notice, 12 FCC Rcd at 22949

<sup>15</sup> *Id.*

<sup>16</sup> Those wire centers that ALLTEL partially serves are indicated on Exhibit D with the word "partial."

<sup>17</sup> See, 47 C.F.R. §54.207(b), *See also Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking*, 23 CR 1338, 1379-86 (May 23, 2001)

ALLTEL as an ETC in those areas upon finding that such designation would be in the public interest (see Section VII below)<sup>18</sup>

In situations where ALLTEL is not licensed to serve a rural ILEC study area in its entirety, ALLTEL may be designated as an ETC once the FCC Redefines the ILEC's service area in accordance with FCC rule section 54.207(c)(1). The rural ILEC service areas that ALLTEL is not licensed to service completely are listed on Exhibit E hereto. Where ALLTEL services only a portion of a wire center listed, it requests that it be designated as an ETC in that portion of the wire center which it serves.<sup>19</sup>

#### **VI. ALLTEL Requests that Affected Rural LEC Service Areas be Redefined.**

Pursuant to 47 C.F.R. §54.207(c)(1), a petition to redefine a rural LEC service area must contain, "an analysis that takes into account the recommendations of any Federal-State Joint Board convened to provide recommendations with respect to the definition of a service area served by a rural telephone company." ALLTEL requests that the Commission redefine the service areas of Century Telephone – Midwest, Inc., Century Telephone of Michigan, Inc., Pigeon Telephone Company, Shiawassee Telephone Company, and Wolverine Telephone Company to exclude the wire centers listed in Exhibit E. ALLTEL serves only a portion of the service area of these five companies. Accordingly, the Commission may prefer to define the wire centers that ALLTEL serves as one service area and the wire centers that ALLTEL does not serve as a separate service area. The wire centers ALLTEL does not serve are set forth in Exhibit E.

The FCC recently adopted a plan for disaggregation of rural LEC study areas in its *Fourteenth Report and Order*, noting that such action "achieves a reasonable balance between rural carriers' needs for flexibility and the Commission's goal of encouraging competitive entry."<sup>20</sup> In the instant case, reclassifying rural LEC service areas for ETC purposes is necessary in order to facilitate competitive entry.

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<sup>18</sup> 47 U.S.C. §214(E)(2).

<sup>19</sup> Those wire centers that ALLTEL partially serves are indicated on Exhibit F with the word "partial."

<sup>20</sup> *Federal-State Joint Board on Universal Service, Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order*, FCC 01-157, Docket 96-45, 23 CR 1338, 1381 (May 23, 2001) ("*Fourteenth Report and Order*")

In the Recommended Decision which laid the foundation for the FCC's *First Report and Order*, the Federal-State Joint Board enumerated three factors to be considered when redefining a rural service area.<sup>21</sup> First, the Joint Board advised the state commission to consider whether the competitive carrier is attempting to "cream skim" by only proposing to serve the lowest cost exchanges.<sup>22</sup> As a wireless carrier, ALLTEL is restricted to providing service in those areas where it is licensed by the FCC. ALLTEL is not picking and choosing the lowest cost exchanges. ALLTEL has based its requested ETC area solely on its licensed service area and proposes to serve its entire service area.

Second, the Joint Board urged the Commission to consider the rural carrier's special status under the Telecommunications Act of 1996.<sup>23</sup> In deciding whether to award ETC status to ALLTEL, the Commission will weigh numerous factors and will consider how the public interest is affected by an award of ETC status pursuant to 47 C.S.R. § 214(e)(2). Congress mandated this public interest analysis in order to protect the special status of rural carriers in the same way it established special considerations for rural carriers with regard to interconnection, unbundling, and resale requirements.<sup>24</sup> Accordingly, if the Commission finds that ALLTEL's ETC designation is in the public interest, it has duly recognized the special status of the rural carrier for purposes of determining whether ALLTEL's service area designation should be adopted for federal universal service funding purposes. No action in this proceeding will affect or prejudice any future action this Commission may take with respect to the LEC's status as a rural telephone company.

Finally, the Federal-State Joint Board recommended that the FCC consider the administrative burden a rural LEC would face by calculating its costs on a basis other than its entire study area.<sup>25</sup> In the instant case, ALLTEL is proposing to redefine rural LEC service areas solely for ETC designation purposes. Redefining service areas for ETC purposes will in no way impact the way the affected rural LECs calculate their costs, but it is solely to determine the LEC area in which ALLTEL is to be designated as an ETC. LECs may disaggregate their study areas to reallocate high cost loop support

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<sup>21</sup> *Federal-State Joint Board on Universal Service, Recommended Decision*, 12 FCC Rcd 87 (1996)

<sup>22</sup> *Recommended Decision*, 12 FCC Rcd 97, at para. 180

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*



payments pursuant to the FCC's Fourteenth Report and Order<sup>26</sup> Accordingly, Redefining rural LEC service areas as proposed in this Application will not impose any additional burdens on rural LECs

## **VII. Granting This Application Will Serve the Public Interest.**

Because ALLTEL is seeking designation in areas served by rural LECs, the Commission must consider public interest factors prior to designating ALLTEL as an ETC 47 U.S.C §214(e)(6). Designating ALLTEL as an ETC in Michigan would further the public interest by bringing the benefits of competition to an underserved marketplace

The FCC has recognized the advantages wireless carriers can bring to the universal service program In particular, the FCC has found that "imposing additional burdens on wireless entrants would be particularly harmful to competition in rural areas, where wireless carriers could potentially offer service at much lower costs than traditional wireline service"<sup>27</sup> One of the principal goals of the Telecommunications Act of 1996 was to "promote competition and Reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies."<sup>28</sup> Competition drives down prices and promotes the development of advanced communications as carriers vie for a consumer's business. The FCC has determined that wireless providers such as ALLTEL may be designated as ETCs. Federal State Board on Universal Service, CC Docket No 96-45, Report and Order, 12 FCC Rcd 8776, 8858-59, ¶¶ 145-147

This Commission has already determined that designation of a wireless provider as an eligible telecommunications carrier is in the public interest In re Application of RFB CELLULAR, INC., for designation as an eligible telecommunications carrier, Case No U-13145 (November 20, 2001), p 3.; In the Matter of the Application of Thumb Cellular, LP for designation as an eligible telecommunications carrier under Section 214(e)(6) of the Communications Act of 1934, Case No U-13618 (December 6,

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<sup>25</sup> *Id*

<sup>26</sup> *Fourteenth Report and Order, Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers Federal-State Joint Board on Universal Service, Second Report and Order and Further Notice of Proposed Rulemaking*, 25 CR 1 (November 8, 2001)

<sup>27</sup> *First Report and Order*, 12 FCC Rcd 8776, 8881-8882

2002) Designating ALLTEL as an ETC would give those in rural areas in Michigan advanced telecommunications options

ALLTEL will implement service offerings and rate plans that will be competitive with incumbent service offerings and affordable to Michigan's consumers. ALLTEL commits that its local calling area will be at least as large as the incumbent LEC, and ALLTEL believes that in all cases its local calling area will be substantially larger, which will reduce intra-LATA toll charges typically associated with wireline service. ALLTEL will provide access to emergency services in compliance with all state and federal requirements.

ALLTEL commits to use available federal high cost support for its intended purposes – the construction, maintenance and upgrading of facilities serving the rural areas for which support is intended. As of this date, ALLTEL can conceive of no business plan for remote rural areas which supports deploying the type of robust wireless network required to compete on a level playing field with incumbent carriers. Wireless telephone service is today a convenience, but in most rural areas it cannot be counted on as a potential replacement for wireline service unless high cost loop support is made available to drive infrastructure investment. Indeed, without the high cost program it is doubtful that many rural areas would have wireline telephone service even today. Provision of high cost support to ALLTEL will begin to level the playing field with the incumbent LECs and make available for the first time a potential competitor for primary telephone service in remote areas of Michigan.

#### **VIII. NO HEARING REQUIRED**

This Application may be approved and the requested ETC designation may be made without the time and expense of a hearing. Neither the MTA nor any other law requires that a hearing be held. In this Commission's November 20, 2001 Order in Case No. U-13145, the application of RFB Cellular, Inc. for designation as an eligible telecommunications carrier, the Commission concluded that it need not solicit comment on the application, which would only further delay the application. Therefore, no notice of hearing is required. Nevertheless, ALLTEL will consult with the Commission's Executive Secretary to determine whether any notice should be provided.

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<sup>28</sup> Telecommunications Act of 1996, Public Law, 104-104, 100 Stat. 56 (1996)

**RELIEF**

WHEREFORE, ALLTEL respectfully requests the Commission, either by order or minute action without a hearing within 90 days from the date of this Application to.

A. Designate ALLTEL as an eligible telecommunications carrier for universal service purposes for its entire service area and designate Michigan Cellular Market Areas 48, 64, 78, 94.132, 177, 181, 193, 207, and 472 through 480 as service areas for this purpose, and

B Grant such further and additional relief as may be lawful and proper.

Respectfully submitted,  
FOSTER, SWIFT, COLLINS & SMITH, P.C.  
Attorneys for ALLTEL Communications, Inc.

Dated April 14, 2003

By \_\_\_\_\_  
Mark J Burzych (P43793)  
313 South Washington Square  
Lansing, MI 48933-2193  
(517) 371-8100

and

Lawrence J Krajci  
ALLTEL Communications, Inc  
One Allied Drive  
Little Rock, AR 72202  
(501) 905-5342

## EXHIBIT A

### AFFIDAVIT

I, Steve R. Mowery, Vice President, State Government Affairs of ALLTEL Communications, Inc. do hereby declare as follows

1 I am the authorized representative of ALLTEL Communications, Inc. ("ALLTEL") in charge of ALLTEL's Application for Designation as an Eligible Telecommunications Carrier ("ETC") in the State of Michigan. This affidavit is submitted in support of ALLTEL's Application for Designation as an ETC in Michigan

2 ALLTEL is authorized to provide cellular radiotelephone service in Michigan and is authorized to provide service in the requested ETC area described in its Application

3 ALLTEL meets the criteria for ETC designation as explained herein

4 ALLTEL is a "common carrier" for purposes of obtaining ETC designation pursuant to 47 U.S.C. §214(e)(1). A "common carrier" is generally defined in 47 U.S.C. §153(10) as a person engaged as a common carrier on a for-hire basis in interstate communications by wire or radio. Section 20.9(1)7 of the Commission's Rules provides that cellular service is a common carrier service. See 47 C.F.R. §20.9(a)(7)

5 ALLTEL currently offers and is able to provide, within its designated service areas, the services and functionalities identified in 47 C.F.R. §54.101(a). Each of these services and functionalities is discussed more fully below.

a. Voice-grade access to the public switched telephone network. The FCC concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 2700 Hertz frequency range. See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *First Report and Order*, 12 FCC Rcd 8776, 8810-11 (1997) ("Universal Service Order"). ALLTEL meets this requirement by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with local telephone companies, all customers of ALLTEL are able to make and receive calls on the public switched telephone network within the specified bandwidth.

b. Local Usage. Beyond providing access to the public switched network, an ETC must include local usage as part of a universal service offering. To date, the FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, but has initiated a separate proceeding to address this issue. See *Federal-State Joint Board on Universal Service*, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252 (1998) ("October 1998 NPRM"). As it relates to local usage, the NPRM sought comments on a definition of the public service package that must be offered by all ETCs. Specifically, the FCC sought comments on how much, if any, local usage should be required to be provided to customers as part of a universal service offering. October 1998 NPRM at 21277-21281. In the *Universal Service Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide. *Universal Service Order* at 8813. Any minimum local usage requirement established by the FCC as a result of the October 1998 NPRM will be applicable to all designated ETCs, not simply wireless service providers. ALLTEL will comply with any and all minimum local usage requirements adopted by the FCC. ALLTEL will meet the local usage requirements by including local usage as part of a universal service offering.

c Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent. DTMF is a method of signaling that facilitates the transportation of call set-up and call detail information. Consistent with the principles of competitive and technological neutrality, the FCC permits carriers to provide signaling that is functionally equivalent to DTMF in satisfaction of this service requirement. 47 C.F.R. §54.101(a)(3). ALLTEL currently uses out-of-band digital signaling and in-band multi-frequency ("MF") signaling that is functionally equivalent to DTMF signaling. ALLTEL therefore meets the requirement to provide DTMF signaling or its functional equivalent.

d Single-party service or its functional equivalent. "Single-party service" means that only one party will be served by a subscriber loop or access line in contrast to a multi-party line. *Universal Service Order* at 8810. The FCC concluded that a wireless provider offers the equivalent of single-party service when it offers a dedicated message path for the length of a user's particular transmission. *Universal Service Order* at 8810. ALLTEL meets the requirement of single-party service by providing a dedicated message path for the length of all customer calls.

e Access to emergency services. The ability to reach a public emergency service provider by dialing 911 is a required service in any universal service offering. Phase I E-911, which includes the capability of providing both automatic numbering information ("ANI") and automatic location information ("ALI"), is only required if a public emergency service provider makes arrangements with the local provider for the delivery of such information. ALLTEL currently provides all of its customers with access to emergency service by dialing 911 in satisfaction of the basic 911 requirement, and either provides, or will provide subscribers with Phase I and Phase II E-911 services in accord with the deployment schedules agreed to by ALLTEL and local or other governmental emergency service provider agencies.

f Access to operator services. Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call. *Universal Service Order*, 8817-18. ALLTEL meets this requirement by providing all of its customers with access to operator services provided by either the Company or other entities (e.g., LECs, IXC's, etc.).

g. Access to interexchange services. A universal service provider must offer consumers access to interexchange service to make and receive toll or interexchange calls. Equal access, however, is not required. "The FCC do[es] not include equal access to interexchange service among the services supported by universal service mechanisms." *Universal Service Order* at 8819. ALLTEL presently meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements the Company has with IXC's.

h. Access to directory assistance. The ability to place a call to directory assistance is a required service offering. *Universal Service Order* at 8821. ALLTEL meets this requirement by providing all of its customers with access to directory assistance by dialing "411" or "555-1212".

i. Toll limitation for qualifying low-income consumers. An ETC must offer either "toll control" or "toll blocking" services to qualifying Lifeline customers at no charge. The FCC no longer requires an ETC to provide both services as part of the toll limitation service required under 47 C.F.R. §54.101(a)(9). See *Universal Service Fourth Order on Reconsideration*, FCC 97-420 (Dec. 30, 1997). In particular, all ETCs must provide toll blocking, which allows customers to block the completion of outgoing toll calls. *Universal Service Order*, at 8821-22. ALLTEL currently has no Lifeline customers because only carriers designated as an ETC can participate in Lifeline. See 47 C.F.R. §54.400-415. Once designated as an ETC, ALLTEL will participate in Lifeline as required, and will provide toll blocking capability in satisfaction of the FCC's requirement. ALLTEL currently has the technology to provide toll

blocking and will use this technology to provide the service to its Lifeline customers, at no charge, as part of its universal service offerings

6 ALLTEL will provide the supported services using its existing network infrastructure, which includes the same antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing conventional mobile cellular service customers.

7 I declare under penalty of perjury that the foregoing is true and correct. Executed on \_\_\_\_\_, 2003

\_\_\_\_\_  
Its Authorized Representative

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_  
Notary Public

## EXHIBIT A

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I declare under penalty of perjury that the foregoing is true and correct. Executed on April 10, 2003.

Steve Manning  
Its Authorized Representative

Subscribed and sworn before me this 10<sup>th</sup> day of April, 2003.



Sandra Jean Wood  
Notary Public